

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 906**

Introduced by Price, 26

Read first time January 5, 2006

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to the Contractor Registration Act; to amend  
2 sections 48-2101, 48-2102, 48-2104, 48-2105, 48-2106,  
3 48-2110, and 48-2114, Reissue Revised Statutes of  
4 Nebraska; to change applicability of the act; to provide  
5 for a surety bond as prescribed; to change administrative  
6 penalties; to harmonize provisions; and to repeal the  
7 original sections.

8 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 48-2101, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           48-2101 Sections 48-2101 to 48-2116 and sections 6, 7,  
4 9, and 10 of this act shall be known and may be cited as the  
5 Contractor Registration Act.

6           Sec. 2. Section 48-2102, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8           48-2102 It is the intent of the Legislature that all  
9 contractors doing business in ~~counties with a population of over~~  
10 ~~one hundred thousand inhabitants~~ Nebraska be registered with the  
11 department. It is not the intent of the Legislature to endorse  
12 the quality or performance of services provided by any individual  
13 contractor.

14           Sec. 3. Section 48-2104, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16           48-2104 Before performing any construction work in ~~any~~  
17 ~~county with a population of over one hundred thousand inhabitants~~  
18 Nebraska, a contractor shall be registered with the department. If  
19 a contractor does business under more than one name, the contractor  
20 shall obtain a registration number for each name under which the  
21 contractor is doing business.

22           Sec. 4. Section 48-2105, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           48-2105 Each contractor shall apply to the department  
25 for a registration number on an application form provided by

1 the department. The application shall contain the following  
2 information:

3 (1) The name and, if the applicant is an individual, the  
4 social security number of the contractor;

5 (2) The principal place of business of the contractor  
6 in Nebraska. If the contractor's principal place of business is  
7 outside Nebraska, the application shall state the address of the  
8 contractor's principal place of business and the name and address  
9 of the contractor's registered agent in Nebraska;

10 (3) The telephone number of the contractor in the State  
11 of Nebraska. If the contractor's principal place of business is  
12 outside Nebraska, the application shall state the telephone number  
13 of the contractor's principal place of business and the telephone  
14 number of the contractor's registered agent in Nebraska;

15 (4) The type of business entity of the contractor  
16 such as corporation, partnership, limited liability company, sole  
17 proprietorship, or trust;

18 (5) The following information about the business entity:

19 (a) If the contractor is a corporation, the name,  
20 address, telephone number, and position of each officer of the  
21 corporation; and

22 (b) If the contractor is other than a corporation, the  
23 name, address, and telephone number of each owner;

24 (6) Proof of (a) a certificate or policy of insurance  
25 written by an insurance carrier duly authorized to do business

1 in this state which gives the effective dates of workers'  
2 compensation insurance coverage indicating that it is in force,  
3 (b) a certificate evidencing approval of self-insurance privileges  
4 as provided by the Nebraska Workers' Compensation Court pursuant  
5 to section 48-145, or (c) a signed statement indicating that the  
6 contractor is not required to carry workers' compensation insurance  
7 pursuant to the Nebraska Workers' Compensation Act; and

8 (7) Proof of a surety bond in the amount required by  
9 section 6 of this act;

10 (8) A statement that the contractor has no unresolved  
11 civil judgments outstanding; and

12 ~~(7)~~ (9) A description of the business which includes the  
13 employer's standard industrial classification code or the principal  
14 products and services provided.

15 Each application shall be renewed annually upon payment  
16 of the fee prescribed in section 48-2107.

17 Sec. 5. Section 48-2106, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19 48-2106 (1) A contractor shall report to the commissioner  
20 any change in the information originally reported on or with  
21 the application under section 48-2105 within fifteen days of the  
22 change, except that the contractor shall notify the commissioner of  
23 changes in workers' compensation insurance coverage or surety bond  
24 coverage at least ten days prior to any change in coverage.

25 (2) After the time specified in subsection (1) of this

1 section, the commissioner, with good cause shown, may determine  
2 that amendments may be made to correct an application.

3 (3) Amendments to applications shall not be permitted  
4 when a change occurs in the business classification such as a  
5 change from a sole proprietorship to a corporation.

6 Sec. 6. (1) A surety bond shall be maintained by a  
7 contractor, as unit coverage for each consumer of the contractor,  
8 in the amount of ten thousand dollars as indemnity for any loss  
9 sustained by a consumer:

10 (a) As a result of the contractor violating any law or  
11 ordinance in this state related to construction or violating the  
12 Contractor Registration Act;

13 (b) By fraud of a contractor in the execution or  
14 performance of a contract; or

15 (c) By misrepresentation or the making of false promises  
16 through the advertising or the agents of a contractor.

17 (2) The surety bond may include provisions for the  
18 indemnification for any loss sustained by any consumer as the  
19 result of the refusal, failure, or inability to transfer good and  
20 sufficient legal title to the consumer by the transferor or any  
21 other party claiming title.

22 (3) The department may attach and disburse for cause  
23 any surety bond furnished pursuant to this section. The department  
24 shall adopt and promulgate rules and regulations to administer the  
25 provisions of this section.

1           Sec. 7. Any bonding company carrying a contractor's  
2 surety bond shall notify the department in case of cancellation  
3 by either the bonding company or the contractor of such surety  
4 bond. The notice shall contain (1) the name of the bonding company,  
5 (2) the name of the bonded contractor, and (3) the date the  
6 cancellation is effective.

7           Sec. 8. Section 48-2110, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           48-2110 The commissioner shall issue a notice of  
10 revocation of registration to a contractor when an investigation  
11 reveals that the contractor no longer meets the conditions of  
12 registration set out in section 48-2105 by failure to maintain  
13 compliance with the laws of this state relating to workers'  
14 compensation insurance coverage or maintenance of a surety  
15 bond. If the commissioner receives a notice of cancellation of  
16 workers' compensation insurance coverage or the surety bond, the  
17 commissioner shall revoke the registration as of the time of  
18 cancellation unless the contractor provides a new certification of  
19 insurance or surety bond prior to the cancellation date.

20           Sec. 9. The commissioner shall issue a notice of  
21 revocation of registration to a contractor when an investigation  
22 reveals that the contractor no longer meets the conditions of  
23 registration set out in section 48-2105 by having a court enter a  
24 civil judgment against the contractor relating to construction. The  
25 commissioner shall revoke the registration as of the date of the

1 judgment, except during any period the case is on appeal.

2           Sec. 10. Any contractor required to be registered under  
3 the Contractor Registration Act shall notify the department if a  
4 court enters a civil judgment against the contractor relating to  
5 construction. The contractor has ninety days after the date of the  
6 judgment, or as ordered by the court, whichever period is longer,  
7 to resolve the judgment. An appeal shall suspend the time period  
8 until the date the opinion on the case is issued by the appellate  
9 court.

10           Sec. 11. Section 48-2114, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           48-2114 (1) The commissioner shall issue a citation to a  
13 contractor when an investigation reveals that the contractor has  
14 violated:

15           (a) The requirement that the contractor be registered; or

16           (b) The requirement that the contractor's registration  
17 information be substantially complete and accurate.

18           (2) If a citation is issued, the commissioner shall  
19 notify the contractor of the proposed administrative penalty,  
20 if any, by certified mail or any other manner of delivery by  
21 which the United States Postal Service can verify delivery. The  
22 administrative penalty shall be not more than five ~~hundred~~ thousand  
23 dollars in the case of a first violation and not more than ~~five~~ ten  
24 thousand dollars in the case of a second or subsequent violation.

25           (3) The contractor shall have fifteen working days from

1 the date of the citation or penalty to contest such citation or  
2 penalty. Notice of contest shall be sent to the commissioner who  
3 shall provide a hearing pursuant to the Administrative Procedure  
4 Act.

5           Sec. 12. Original sections 48-2101, 48-2102, 48-2104,  
6 48-2105, 48-2106, 48-2110, and 48-2114, Reissue Revised Statutes of  
7 Nebraska, are repealed.